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UNCLAS SECTION 01 OF 02 LIMA 005267

SIPDIS

SENSITIVE

DEPT FOR WHA/AND, EB/TRA/AN, PM/ISO PENTAGON FOR USAF/XONP DALE CHANEY

E.O. 12958: N/A

TAGS: <u>EAIR ECON EFIN ETRD EINV PGOV PE</u>
SUBJECT: REQUEST FOR STATUS ASSESSMENT OF LIMA AIRPORT

REF: 03 STATE 64266

- 11. (U) This cable is an action request. Please see para 9.
- 12. (SBU) Summary. The Peruvian Government and its private airport Concession holder, Lima Airport Partners, continue to press the U.S. Embassy to pay its outstanding bill dating back to 2001 for landing, parking, and other user fees for services provided at the Lima Jorge Chavez Airport. The USG and the GOP signed an agreement in 1996 that exempts all narcotics-related flights from paying fees at the Jorge Chavez airport. Post delivered a diplomatic note in June, highlighting the USG policy to not pay fees for any state aircraft, whether narcotics related or not, landing at government airports. The GOP, however, disagrees with the USG classification of Jorge Chavez as a government airport and has requested that the Embassy pay all fees on non-narcotics related flights. The GOP will only consider negotiating an MOU to exempt future flights from fees once Post has paid its outstanding bill. Post requests that the Department reevaluate the status of the Jorge Chavez Airport and provide information regarding Peruvian flights landing at U.S. Airports. End Summary.

Demand for Airport Fees

- 13. (U) In May, Post received a bill from the Lima Airport Partners (LAP: the concessionaire of the Jorge Chavez Airport) for outstanding landing, parking and other user fees for all flights that used the Jorge Chavez Airport between February 14, 2001 and March 29, 2005. (Note: LAP began its concession of the Lima Airport's commercial operations on February 14, 2001. End Note.) The bill totaled more than \$300,000 plus taxes and interest.
- $\underline{1}4$. (U) Subsequently, Post received a diplomatic note, which acknowledged the 1996 Agreement between the USG and the GOP that exempts payment of airport fees for all narcotics related flights. (Note: under the Agreement, the Ministry of Transportation and Communications (MTC) is to pay LAP for all fees on narcotics related flights. End Note.) diplomatic note, however, included a request for Embassy payment of all non-narcotics flights. In order to determine which flights are not covered by the 1996 Agreement, the Ministry of Foreign Affairs (MFA) and the MTC requested that the Embassy submit a detailed list of all flights between February 14, 2001 and March 29, 2005, annotating the non-narcotics flights.
- (U) Using the guidance in reftel, we sent a diplomatic note in June, stating that the USG policy is to not pay fees for any state flights landing at government airports. We explained that a USG interagency working group determined, based on the answers to four questions, that the Jorge Chavez Airport is considered a government airport. further highlighted that all state flights utilize the Air Force facilities at Grupo 8, which is a government facility.

GOP Argues Jorge Chavez is Private Airport

- 16. (SBU) After almost six months of inaction, the MFA in the past few weeks has resumed contact with the Embassy on this issue. According to Augusto Arzubiaga, Director of Aviation Issues at the MFA, the GOP disagrees with the USG determination of Jorge Chavez as a government airport.

 During a conversation on December 12, Arzubiaga pointed out that the runway is actually controlled by LAP; therefore the U.S. flights should pay landing fees to LAP on non-narcotics flights. He also noted that the GOP only charges other countries \$1 plus taxes for state flights. He lamented that the USG, with its deep pockets, refuses to pay such a small
- (SBU) We noted that the USG has substantially more flights than other countries and inquired as to whether the GOP would charge \$1 for all non-narcotics flights between 2001-2005. According to the LAP bill, the fees, which include landing, parking, towing and refueling, among others, total more than \$1 a flight. Arzubiaga was unclear

on how much the $\ensuremath{\mathsf{GOP}}$ would charge and promised to check on the actual cost.

Need an MOU to Exempt All Flights

18. (SBU) Arzubiaga noted that even though it is a U.S. practice to not pay for state flights, the Peruvian Government would require a Memorandum of Understanding (MOU) to this effect. He stated that the \$1 fee the GOP charges other countries is more reasonable. While the GOP is open to negotiations, it will pursue an agreement that charges the USG a minimal amount for flights. Arzubiaga noted, however, that the GOP is unwilling to discuss the MOU until the Embassy pays its outstanding bill for all non-narcotics flights.

Action Requests

- $\P 9$. (U) The MFA is interested in resolving this issue. In order to move forward with the discussions, Post requests guidance on the following:
- --Post requests that the Department reevaluate the status of the Lima Jorge Chavez Airport. In the reevaluation, please state the criteria used to determine whether the airport is government or private.
- --Post is interested in obtaining information about Peruvian flights that land at U.S. airports, specifically the Miami International Airport, Dulles International and Ronald Reagan National Airport. Please note whether these three airports are considered government or privately controlled. Also, Post requests information as to whether the GOP must pay fees when landing at these airports.
- --Post also requests guidance on whether we should address the broader USG position on state flights or whether we should provide the GOP with a list detailing the narcotics-related flights.
- 110. (U) Post appreciates the Department's assistance.

POWERS